

SENATE BILL No. 461

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-24; IC 6-2.5-5-37; IC 9-13-2-170; IC 9-18; IC 9-29-5.

Synopsis: Professional motor sports; license plates. Specifies that a business primarily focused on professional motor vehicle racing is eligible for certification as a qualified Indiana business for purposes of the venture capital investment tax credit. Repeals the provision specifying that a taxpayer is not entitled to the venture capital investment tax credit after December 31, 2008. Expands the state gross retail tax exemption for tangible personal property used by professional motor vehicle racing teams. Includes a motor sports team or a professional sports franchise within the definition of a special group for purposes of issuing license plates. Provides for the issuance of motor sports and professional sports teams license plates (plates) as special group recognition plates and personalized license plates. Establishes the Indiana capital projects trust fund (fund). Requires that a certain fee collected for the plates be deposited in the fund and that the fund be used for capital projects. Repeals the political contribution paid at the time of an application or renewal for a personalized license plate and provides for a state fee to be paid at the time of application or renewal of a personalized license plate. Provides that certain special group recognition plates have certain sales requirements in order for the special group recognition plates to continue to be issued. Repeals expired sections of the Indiana Code.

Effective: Upon passage; January 1, 2005 (retroactive); July 1, 2005.

Clark

January 18, 2005, read first time and referred to Committee on Rules and Legislative Procedure.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 461

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-3.1-24-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:
Sec. 7. (a) The department of commerce shall certify that a business is a qualified Indiana business if the department determines that the business:

- (1) has its headquarters in Indiana;
- (2) is primarily focused on **professional motor vehicle racing**, commercialization of research and development, technology transfers, or the application of new technology, or is determined by the department of commerce to have significant potential to:
 - (A) bring substantial capital into Indiana;
 - (B) create jobs;
 - (C) diversify the business base of Indiana; or
 - (D) significantly promote the purposes of this chapter in any other way;
- (3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in



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1 which the business received qualified investment capital from a
 2 taxpayer claiming a credit under this chapter;

3 (4) has:

4 (A) at least fifty percent (50%) of its employees residing in
 5 Indiana; or

6 (B) at least seventy-five percent (75%) of its assets located in
 7 Indiana; and

8 (5) is not engaged in a business involving:

9 (A) real estate;

10 (B) real estate development;

11 (C) insurance;

12 (D) professional services provided by an accountant, a lawyer,
 13 or a physician;

14 (E) retail sales, except when the primary purpose of the
 15 business is the development or support of electronic commerce
 16 using the Internet; or

17 (F) oil and gas exploration.

18 (b) A business shall apply to be certified as a qualified Indiana
 19 business on a form prescribed by the department of commerce.

20 (c) If a business is certified as a qualified Indiana business under
 21 this section, the department of commerce shall provide a copy of the
 22 certification to the investors in the qualified Indiana business for
 23 inclusion in tax filings.

24 (d) The department of commerce may impose an application fee of
 25 not more than two hundred dollars (\$200).

26 SECTION 2. IC 6-3.1-24-9 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:
 28 Sec. 9. ~~(a)~~ The total amount of tax credits that may be allowed under
 29 this chapter in a particular calendar year for qualified investment
 30 capital provided during that calendar year may not exceed ten million
 31 dollars (\$10,000,000). The department of commerce may not certify a
 32 proposed investment plan under section 12.5 of this chapter if the
 33 proposed investment would result in the total amount of the tax credits
 34 certified for the calendar year exceeding ten million dollars
 35 (\$10,000,000). An amount of an unused credit carried over by a
 36 taxpayer from a previous calendar year may not be considered in
 37 determining the amount of proposed investments that the department
 38 of commerce may certify under this chapter.

39 ~~(b) Notwithstanding the other provisions of this chapter, a taxpayer~~
 40 ~~is not entitled to a credit for providing qualified investment capital to~~
 41 ~~a qualified Indiana business after December 31, 2008. However, this~~
 42 ~~subsection may not be construed to prevent a taxpayer from carrying~~

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over to a taxable year beginning after December 31, 2008; an unused tax credit attributable to an investment occurring before January 1, 2009.

SECTION 3. IC 6-2.5-5-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 37. Transactions involving ~~the following~~ tangible personal property are exempt from the state gross retail tax, **if the tangible personal property:**

(1) ~~Engines or chassis that are~~ is leased, owned, or operated by a professional racing ~~teams~~ **team; and**

(2) ~~All spare, replacement, and rebuilding parts or components for the engines and chassis described in subdivision (1); excluding tires and accessories.~~

(2) comprises any part of a professional motor racing vehicle, excluding tires and accessories.

SECTION 4. IC 9-13-2-170 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 170. "Special group" means:

(1) a class or group of persons that the bureau finds:

~~(1) that:~~

(A) have made significant contributions to the United States, Indiana, or the group's community or

~~(B) are descendants of native or pioneer residents of Indiana;~~

(2) **(B)** are organized as a nonprofit organization (as defined under Section 501(c) of the Internal Revenue Code);

~~(3) (C) are organized for nonrecreational purposes; and~~

~~(4) (D) are organized as a separate, unique organization or as a coalition of separate, unique organizations; or~~

(2) a motor sports team or a professional sports franchise.

SECTION 5. IC 9-18-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A person who is the registered owner or lessee of a:

(1) passenger motor vehicle;

(2) motorcycle;

(3) recreational vehicle; or

(4) vehicle registered as a truck with a declared gross weight of not more than:

(A) eleven thousand (11,000) pounds;

(B) nine thousand (9,000) pounds; or

(C) seven thousand (7,000) pounds;

registered with the bureau or who makes an application for an original registration or renewal registration of a vehicle may apply to the bureau for a personalized license plate to be affixed to the vehicle for which

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registration is sought instead of the regular license plate.

(b) A person who:

(1) is the registered owner or lessee of a vehicle described in subsection (a); and

(2) is eligible to receive a license plate for the vehicle under:

(A) IC 9-18-17 (prisoner of war license plates);

(B) IC 9-18-18 (disabled veteran license plates);

(C) IC 9-18-19 (purple heart license plates);

(D) IC 9-18-20 (Indiana National Guard license plates);

(E) IC 9-18-21 (Indiana Guard Reserve license plates);

(F) IC 9-18-22 (license plates for persons with disabilities);

(G) IC 9-18-23 (amateur radio operator license plates);

(H) IC 9-18-24 (civic event license plates);

(I) IC 9-18-25 (special group recognition license plates);

(J) IC 9-18-29 (environmental license plates);

(K) IC 9-18-30 (kids first trust license plates);

(L) IC 9-18-31 (education license plates);

(M) IC 9-18-32.2 (drug free Indiana trust license plates);

(N) IC 9-18-33 (Indiana FFA trust license plates);

(O) IC 9-18-34 (Indiana firefighter license plates);

(P) IC 9-18-35 (Indiana food bank trust license plates);

(Q) IC 9-18-36 (Indiana girl scouts trust license plates);

(R) IC 9-18-37 (Indiana boy scouts trust license plates);

(S) IC 9-18-38 (Indiana retired armed forces member license plates);

(T) IC 9-18-39 (Indiana antique car museum trust license plates);

(U) IC 9-18-40 (D.A.R.E. Indiana trust license plates);

(V) IC 9-18-41 (Indiana arts trust license plates);

(W) IC 9-18-42 (Indiana health trust license plates);

(X) IC 9-18-43 (Indiana mental health trust license plates);

(Y) IC 9-18-44 (Indiana Native American Trust license plates);

(Z) IC 9-18-45.8 (Pearl Harbor survivor license plates);

(AA) IC 9-18-46.2 (Indiana state educational institution trust license plates);

(BB) IC 9-18-47 (Lewis and Clark bicentennial license plates);

or

(CC) IC 9-18-48 (Riley Children's Foundation license plates);

or

(DD) IC 9-18-49 (Motor sports and professional sports teams license plates);

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may apply to the bureau for a personalized license plate to be affixed to the vehicle for which registration is sought instead of the regular special recognition license plate.

SECTION 6. IC 9-18-15-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) In addition to the applicable excise tax imposed under IC 6-6-5, the regular registration fees, and any additional fee required to receive a special recognition license plate described in section 1(b) of this chapter, a person applying for or renewing the registration of a personalized license plate shall pay a personalized license plate fee ~~and contribution~~ upon an original application or registration renewal, as provided in section 5 of this chapter.

(b) Each license branch shall collect the personalized license plate fee ~~and contribution~~ at the time of application or registration renewal for the personalized license plate.

(c) Upon the payment of the required fee ~~contribution~~, and service charges for an original application or renewal of a personalized license plate, the bureau shall issue a receipt designating and acknowledging a state fee ~~a political contribution~~, and the service charge under IC 9-29.

(d) The payment of regular registration fees and excise tax, if applicable, may be deferred until the time that the personalized license plate is delivered to the person who applied for the plate.

(e) A license branch shall collect the service charge prescribed under IC 9-29 for each initial or renewal application for a personalized license plate as a reservation and special processing fee.

SECTION 7. IC 9-18-15-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) **This subsection expires October 31, 2005.** Revenue derived from the fees and contributions under section 10 of this chapter, except the part of the fee retained under section 10(e) of this chapter, shall be deposited with the treasurer of state in a special fund. The money from this fund remaining after the deduction provided for in subsection (d) shall be distributed monthly by the auditor of state in the following manner:

(1) To any political party that cast at least five percent (5%) but less than thirty-three percent (33%) of the total vote of the state of all political parties at the last general election for the office of governor, as certified to the secretary of state under IC 3-12-5-6, the auditor of state shall distribute an amount from the special fund equal to the fractional amount of the vote cast in the last general election for the office of governor. Distribution of money from this fund shall be made to the treasurer of the state central

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committee of the political party.

(2) The balance of the special fund remaining after distributions provided by subdivision (1) shall be distributed monthly by the auditor of state in equal amounts to the treasurers of the state central committees of the two (2) political parties that cast the highest and next highest number of votes statewide for governor in the last election.

(b) **This subsection expires October 31, 2005.** The bureau shall provide to:

(1) the treasurers of the respective state central committees; and

(2) the auditor of state by the twentieth day of each month for the purpose of making the distributions under subsection (a);

a report defining the number of personalized license plates sold in each county, including the total dollar amount due the treasurers, during the monthly period prescribed in subsection (a). In addition, the bureau shall provide to the treasurers information necessary to comply with IC 3-9.

(c) **This subsection expires October 31, 2005.** Within thirty (30) days of receipt of money distributed under subsection (a), the treasurers of the respective state committees shall distribute to the treasurers of each county central committee of their respective parties an amount equal to one-half (1/2) of the distributions provided for in subsection (a)(2) that were collected during the quarterly period in that county.

(d) **This subsection expires June 30, 2005.** The bureau shall deduct seven dollars (\$7) for each original application and renewal application for a personalized plate and deposit the money in the motor vehicle highway account.

SECTION 8. IC 9-18-15-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 13.5. The bureau shall:**

(1) deduct thirty-seven dollars (\$37) of the fee for an initial or renewal application for a personalized license plate; and

(2) deposit:

(A) seven dollars (\$7) of the fee in the motor vehicle highway account established under IC 8-1-4; and

(B) thirty dollars (\$30) of the fee as a service charge into the state license branch fund established by IC 9-29-14-1.

SECTION 9. IC 9-18-25-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 15. (a) This subsection:**

(1) applies to an organization if the bureau began issuing a special group recognition license plate for the organization

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under this chapter before January 1, 2005; and
(2) does not apply to a Pearl Harbor survivor license plate
issued under this chapter.

The bureau shall terminate an organization's qualification for the special group license plate program and no further special group recognition license plates shall be issued for an organization if less than two thousand (2,000) of the organization's special group license plates are sold or renewed in the first four (4) years of the five (5) year period beginning the ~~earlier~~ **later** of January 1, 2002, or January 1 of the year in which the organization's special group license plate is first issued. The bureau shall reevaluate the organization's qualification for the special group license plate program every five (5) years thereafter. The bureau shall terminate the organization's qualification for the special group license plate program and no further special group recognition license plates shall be issued for an organization if less than two thousand (2,000) of the organization's special group license plates are sold or renewed in the first four (4) years of a subsequent five (5) year period.

(b) This subsection applies to a special group if the bureau began issuing a special group recognition license plate for the special group under this chapter after December 31, 2004. The bureau shall terminate a special group's qualification for the special group license plate program and no further special group recognition license plates shall be issued for the special group if less than two thousand (2,000) of the special group's license plates are sold or renewed in the first four (4) years of the five (5) year period beginning the later of January 1, 2005, or January 1 of the year in which the special group's license plate is first issued. The bureau shall reevaluate the special group's qualification for the special group license plate program every five (5) years thereafter. The bureau shall terminate the special group's qualification for the special group license plate program and no further special group recognition license plates shall be issued for an organization if less than two thousand (2,000) of the organization's special group license plates are sold or renewed in the first four (4) years of a subsequent five (5) year period.

SECTION 10. IC 9-18-49 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 49. Motor Sports and Professional Sports Teams License Plates

Sec. 1. The bureau shall design and issue a motor sports and

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professional sports teams license plate for a motor sports or professional sports team from which the bureau secures agreement for the production and sale of license plates. A motor sports and professional sports team license plate shall be designed and issued as a special group recognition license plate under IC 9-18-25.

Sec. 2. The bureau shall:

(1) negotiate for the purpose of entering; or

(2) delegate the authority to enter;

into license agreements with a motor sports team or professional sports franchise in order to design and issue a motor sports and professional sports teams license plate authorized under section 1 of this chapter.

Sec. 3. After December 31, 2005, a person who is eligible to register a motor vehicle under this title is eligible to receive a specified motor sports and professional sports teams license plate issued under a licensing agreement entered into under section 2 of this chapter with a specified motor sports team or professional sports franchise upon doing the following:

(1) Completing an application for a specified motor sports and professional sports team license plate.

(2) Paying the fees under section 4 of this chapter.

Sec. 4. (a) The fees for a motor sports and professional sports teams license plate are as follows:

(1) The appropriate fees under IC 9-29-5-38(d)(1), IC 9-29-5-38(d)(2), and IC 9-29-5-38(d)(3).

(2) An annual fee under IC 9-29-5-38(d)(4), to be determined by the bureau by rule.

(b) The annual fee described in subsection (a)(2) shall be:

(1) collected by the bureau; and

(2) deposited in the capital projects trust fund established by section 5 of this chapter.

Sec. 5. (a) The capital projects trust fund is established.

(b) The treasurer of state shall invest the money in the capital projects trust fund not currently needed to meet the obligations of the capital projects trust fund in the same manner as other public trust funds are invested. Interest that accrues from these investments shall be deposited in the capital projects trust fund. Money in the fund is continuously appropriated for the purposes of this section.

(c) The budget director shall administer the capital projects trust fund. Expenses of administering the capital projects trust fund shall be paid from money in the capital projects trust fund.

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(d) On:

(1) June 30 of every fifth year after June 30, 2006; or

(2) any other date designated by the budget director;

an amount designated by the budget director shall be transferred from the fund to the state general fund. Money transferred under this subsection shall be used exclusively to fund appropriations made by the general assembly for capital projects.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 6. The budget agency shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 11. IC 9-29-5-32 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. **This section expires June 30, 2005.** The fee for a personalized license plate under IC 9-18-15 is as follows:

(1) The applicable excise tax imposed under IC 6-6-5.

(2) The regular vehicle registration fee imposed under this chapter.

(3) A state fee of seven dollars (\$7).

(4) A political contribution of thirty dollars (\$30).

SECTION 12. IC 9-29-5-32.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 32.5. The fee for a personalized license plate under IC 9-18-15 is as follows:**

(1) The applicable excise tax imposed under IC 6-6-5.

(2) The regular vehicle registration fee imposed under this chapter.

(3) A state fee of seven dollars (\$7) for the motor vehicle highway account established under IC 8-14-1.

(4) A service charge of thirty dollars (\$30) for the state license branch fund established by IC 9-29-14-1.

SECTION 13. IC 9-29-5-38 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 38. (a) Except as provided in ~~subsection~~ subsections (c) and (d), vehicles registered under IC 9-18-25 are subject to the following:

(1) An appropriate annual registration fee.

(2) An annual supplemental fee of ten dollars (\$10).

(3) Any other fee or tax required of a person registering a vehicle under this title.

(b) The bureau shall distribute all money collected under the annual supplemental fee under subsection (a)(2) as follows:

(1) Five dollars (\$5) from each registration is appropriated to the

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bureau of motor vehicles for the purpose of administering IC 9-18-25.

(2) Five dollars (\$5) from each registration shall be deposited in the state license branch fund under IC 9-29-14.

(c) A vehicle registered under IC 9-18-25 that is owned by a former prisoner of war or by the prisoner's surviving spouse is exempt from the annual registration fee and the annual supplemental fee.

(d) A motor vehicle registered and issued a special group recognition license plate under IC 9-18-25 and IC 9-18-49 is subject to the following:

(1) An appropriate annual registration fee.

(2) An annual supplemental fee of ten dollars (\$10).

(3) Any other fee or tax required of a person registering a vehicle under this title.

(4) An annual fee to be determined by the bureau by rule, as provided in IC 9-18-49-4(a)(2).

SECTION 14. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 9-18-25-14; IC 9-18-25-16.

SECTION 15. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] IC 6-3.1-24-7 and IC 6-3.1-24-9, both as amended by this act, apply only to taxable years beginning after December 31, 2004.

SECTION 16. [EFFECTIVE JULY 1, 2005] For purposes of IC 6-2.5-5-37, as amended by this act, all transactions shall be considered as having occurred after June 30, 2005, to the extent that delivery of the property or services constituting selling at retail is made after that date to the purchaser or to the place of delivery designated by the purchaser. However, a transaction shall be considered as having occurred before July 1, 2005, to the extent that the agreement of the parties to the transaction was entered into before July 1, 2005, and payment for the property or services furnished in the transaction is made before July 1, 2005, notwithstanding the delivery of the property or services after June 30, 2005.

SECTION 17. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 9-18-49-4(a)(2) and IC 9-29-5-38(d)(4), both as added by this act, the bureau of motor vehicles shall carry out the duties imposed upon it by IC 9-18-49-4(a)(2) and IC 9-29-5-38(d)(4), both as added by this act, under interim written guidelines approved by the commissioner of the bureau of motor vehicles.

(b) This SECTION expires the earlier of the following:

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1 **(1) The date rules are adopted under IC 9-18-49-4(a)(2) and**
 2 **IC 9-29-5-38(d)(4).**
 3 **(2) December 31, 2006.**
 4 SECTION 18. [EFFECTIVE UPON PASSAGE] (a)
 5 **Notwithstanding IC 9-18-49-6, as added by this act, the budget**
 6 **agency shall carry out the duties imposed upon it by IC 9-18-49-6,**
 7 **as added by this act, under interim written guidelines approved by**
 8 **the director of the budget agency.**
 9 **(b) This SECTION expires the earlier of the following:**
 10 **(1) The date rules are adopted under IC 9-18-49-6.**
 11 **(2) December 31, 2006.**
 12 SECTION 19. An emergency is declared for this act.

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